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JOTHI IMPEX SDN BHD & ANOR

v.

YASHREE STORE SDN BHD

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HIGH COURT MALAYA, JOHOR BAHRU
KAMARDIN HASHIM JC
[ORIGINATING SUMMONS NO: MT(4) 24-1617-2003]
4 AUGUST 2009

C ***CIVIL PROCEDURE:*** *Injunction - Application for - Restraining defendant from distributing herbal hair products and from using the trade mark 'EAGLES' - Whether first plaintiff registered proprietor of trade name - Whether plaintiffs came to court with unclean hands - Whether there was unlawful breach of trademark and copyright perpetrated by the*
D *plaintiffs - Whether plaintiff had breached duty to make full and frank disclosure - Whether trademark of plaintiffs' product in contravention of ss. 14 and 19(1) Trade Marks Act 1976 - Balance of convenience - Whether weighed in favour of plaintiffs - Whether defendant would suffer greater injustice - Status quo of parties - Whether to be maintained -*
E *Whether plaintiffs' application without merit to support injunctive relief sought for*

TRADEMARKS: *Infringement - Allegation of - Application to restrain defendant from distributing of herbal hair products and from using the*
F *trade mark 'EAGLES' - Whether first plaintiff registered proprietor of trade name - Whether plaintiffs came to court with unclean hands - Whether there was unlawful breach of trademark and copyright perpetrated by the plaintiffs - Whether plaintiff had breached duty to make full and frank disclosure - Whether trademark of plaintiffs' product in*
G *contravention of ss. 14 and 19(1) Trade Marks Act 1976 - Balance of convenience - Whether weighed in favour of plaintiffs - Whether defendant would suffer greater injustice - Status quo of parties - Whether to be maintained - Whether plaintiffs' application without merit to support injunctive relief sought for*

H The first plaintiff (Jothi Impex) applied for, *inter alia,* an injunction order against the defendant to restrain the distribution of fake black herbal hair products through their agents in Malaysia and to restrain the defendant from using the trade mark 'EAGLES' belonging to Jothi Impex. The first plaintiff alleged that it was the
I registered proprietor of the trade name EAGLES GOLD and they had been distributing one of its cosmetic products Henna Hair Dye under the name 'Eagles Gold Herbal Henna-Hair Dye.' The

defendant, on the other hand, averred that the first plaintiff was never the registered proprietor of 'Eagles Gold' and that the trade name 'Eagle' was the property of Ram Gopal & Sons in India (RGS). The defendant submitted that it had been the importers of RGS's Henna Dye products under the trade name of 'EAGLE'. The facts were that RGS was the manufacturer of Henna (mehandi powder) hair dye powder which was sold under its registered trade mark of 'EAGLE'.RGS had been supplying its henna products under the Eagle trademark to the first plaintiff since 1994 but sometime in 1998, the two parties had a falling out resulting in RGS terminating its business relationship with the first plaintiff. Subsequently, the first plaintiff's distributorship was terminated. Shortly after that, the first plaintiff engaged the services of M/S Gan & Lim who filed an application to register its trade marks 'Eagles Gold' under trade mark application no. 9/0865. Sometime at the end of 2001, RGS appointed the defendant as its sole agent/distributor for Malaysia. However, in July 2002, the defendant was informed by RGS that some persons were clandestinely infringing the statutory rights of RGS in Malaysia by sourcing their goods (henna products) in India which were produced by Abhinav Export Corporation ('Abhinav') and selling their goods under the Eagle trademark but passing off the said goods as Eagles Gold using identical packaging and identical device of a woman holding her hair thereby infringing RGS's registered trade mark in India. RGS had commenced proceedings in India against the first plaintiff and its associated companies where permanent injunction was granted against the first plaintiff and its associated companies from using RGS's Eagle trademark on their Henna products sold under the name of 'Eagles Gold.' The first plaintiff claimed that it had purchased the Eagles trademark from the second plaintiff (Fair Care) and had bought all the assets of the second plaintiff *vide* a sale and purchase agreement. The alleged infringement and nature of alleged infringements in this case as averred by the plaintiff were namely (i) infringements of the registered trademark of 'Eagle' by the defendant by distributing and selling the infringing products and (ii) territorial protection - the alleged infringements took place within the territorial accorded under the Trademark Act 1976 which was Malaysia.

Held (dismissing plaintiff's application for injunctive relief):

(1) A search made by the defendant's agent with the Trademark Registry showed that the said trademark 'Eagles' purportedly approved to the second plaintiff, Fair Care, had in fact been abandoned. Jothi Impex failed to produce the purported sale and purchase agreement for verification. The contention that Jothi Impex had bought the Eagles trademark from Fair Care could not be accepted. Two addresses given by Fair Care was found to be residential houses and there was no evidence adduced by the plaintiff to show that it had a trading or place of business at the said premises. The blatant lies perpetrated by the plaintiffs were in serious contempt and they had come to court with unclean hands. (para 15)

(2) By virtue of its long and established use of the 'Eagle' trademark for the products henna powder in Malaysia-Singapore and elsewhere, RGS had acquired the exclusive right to use the said trademark. Valuable goodwill and reputation had been built under the said trademark here in Malaysia. Jothi Impex's use of the said trademark was an attempt to pass off the RGS's goods, violation of trademark and copyrights vested in RGS. RGS had never at any time appointed Jothi Impex as their sole agent for Malaysia; they were merely one of the importers who were importing RGS products until 1998. On the other hand, RGS had appointed the defendant as their agent since the end of 2001 and the defendant continued to be RGS sole agent till to date. The plaintiffs had deliberately and falsely lied to the public and had misled them to believe that the Eagles Gold henna products sold by Jothi Impex were in fact the genuine Eagle henna products produced by RGS which have gained wide popularity and reputation among the public and the trade because of their long and wide use in India, Malaysia and Singapore since 1971. Jothi Impex was well aware of this fact and had been trying to cash in on RGS's Eagle products by selling their Eagle Gold's products and passing them off as RGS Eagle Henna products. The defendant's supplier, RGS, were the producers of the genuine henna products sold under their henna products label since 1971 which had been registered at the Trademark Registry of India as they had been the original

and genuine manufacturers of the Eagle brand henna products since 1970s. The unlawful breach of trademark and copyright perpetrated by Jothi Impex with the collaboration of Fair Care perversely claiming that the defendant had been infringing Jothi Impex 'celup' trademark of Eagles Gold was laughable in the light of revelations highlighted herein and was nothing more than a pathetic attempt to mislead the public and distort the good name of RGS's Eagle's henna products in the public eye and the trade. (paras 27, 28 & 30)

(3) It is fundamental that the party applying for an injunction should have the utmost good faith in making the application and that the doctrine of *uberrime fide* in effect applies. The duty to make full disclosure required the plaintiffs to make sufficient enquiries before making the application. This principle that no injunction obtained *ex parte* should stand if it had been obtained in circumstances in which there was a breach of the duty to make the fullest and frankest disclosure. The plaintiffs herein had breached that duty. There had been a deliberate suppressing of material information by the plaintiffs regarding the facts that Jothi Impex was a former agent of RGS and was selling the Eagle's Henna Hair dye products from January 1994 to end of 1998. Jothi Impex was guilty of deliberate and willful concealment of material facts and this ground alone was sufficient to deny plaintiffs' application for an interlocutory mandatory injunction. (para 38)

(4) The plaintiffs' Eagles gold trademark as claimed by them was only registered in 2002 as compared to Eagle trademark belonging to RGS which had been valid and subsisting in India since the 1980's. RGS products have been sold in 18 countries including Malaysia since 1970's. The get-up of Jothi Impex products of a girl holding her hair was strikingly similar and closely related to RGS's get-up, also a girl holding her hair which RGS had been using for the past 30 years.The get-up used by Jothi Impex nearly resembled a trademark belonging to RGS and it was likely to deceive or cause confusion among members of the public. Thus the trademark of Jothi Impex product was clearly in contravention with s. 14 and s. 19(1) of the Trade Marks Act 1976. Jothi Impex was guilty of the act of passing off the Eagle name and the similar

get-up of a girl with long hair which was calculated to injure the business and goodwill of the defendant as the name Eagles, the logo and the get-up had become the defendant's products and the use by Jothi Impex was likely to deceive the defendant's customers and the public at large. (para 39)

(5) The balance of convenience did not weigh in favour of the plaintiffs herein as it would not be in the interest of justice to grant the interlocutory injunction based on the plaintiffs' bare allegations which were not supported by any evidence. Furthermore, the defendants would suffer great injustice and would be jeopardized by the granting of any injunctive relief sought by the plaintiffs. The plaintiffs' application herein was without merits to support for the injunctive relief they sought for. It was only proper and just for the *status quo* of the parties be maintained until the final disposal of the suit. (paras 49 & 50)

Case(s) referred to:

American Cynamid v. Ethicon Ltd [1975] AC 396 ***(refd)***

Impex Electrical Ltd v. Weinbaum [1927] 44 RPC 405 ***(refd)***

Kamalambikai Somasundram Shanta Devi Samasundraw v. Mulpha Land & Property Sdn Bhd [1998] 1 LNS 149 HC ***(refd)***

Keet Gerald Francis Noel John v. Mohd Noor & Ors [1995] 1 CLJ 293 CA ***(refd)***

Lim Yew Sing v. Hummel International Sports & Leisure A/S [1996] 4 CLJ 784 CA ***(refd)***

Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Sdn Bhd [1994] 3 BLJ 292 HC ***(refd)***

Tinta Press Sdn Bhd v. Bank Islam (M) Bhd [1987] 1 CLJ 447; [1987] CLJ (Rep) 396 SC ***(refd)***

Yomeishu Seizo Co Ltd & Ors v. Sinma Medical Products (M) Sdn Bhd [1996] 2 BLJ 142 HC ***(refd)***

Legislation referred to:

Rules of the High Court 1980, O. 29 rr. 2A, 4

Specific Relief Act 1950, s. 50

Trade Marks Act 1976, ss. 14(a), 19(1)

For the plaintiffs - Dato' Rajasingam (Gunapathi, Kirubakaran & Max Yong with him); M/s Kiru & Yong

For the defendant - CK Tan (Raswandra Keng Chu with him); M/s CK Tan & Co

Reported by Suhainah Wahiduddin

JUDGMENT

Kamardin Hashim JC:

Introduction

[1] First plaintiff (Jothi Impex) in this case had filed a summons in chambers dated 14 July 2003, in encl. 3 seeking for the following orders against the defendant, *inter alia*:

a) For an order to restrain (melarang) the import of fake black herbal hair products (produk palsu) by the defendant in the name of "EAGLES" to Malaysia.

b) An order to restrain the defendant from distributing fake black herbal hair products throughout Malaysia *via* their agents.

c) An order against the defendant restraining them from using the trademark "EAGLES" belonging to Jothi Impex.

d) An order allowing the plaintiffs to publish the order of court granted in the local newspapers.

[2] The said summons in chambers is supported by the affidavit of Kumaresan s/o KV Awnamalai in. encl. 4 affirmed on 14 July 2003.

[3] On the same date ie, 14 July 2003, Jothi Impex had also filed an *ex parte* summons in chambers in encl. 8 seeking *inter alia*:

a) An injunction order against the defendant for an order to restrain the import of fake black herbal hair products in the name of "eagles" to Malaysia.

b) An injunction against the defendant to restrain the distribution of fake black herbal hair products through their agents in Malaysia.

c) An injunction to restrain the defendant from using the trademark "Eagles" belonging to Jothi Impex.

d) An order allowing the plaintiffs to publish the injunction order in the local newspapers.

[4] The aforesaid *ex parte* application for injunction relief was supported by the affidavit of Kumaresan a/l KV Awanamalai and Ramasamy a/l Kuppusamy affirmed on 14 July 2003 in encl. 9. It

A is pertinent to note that although the plaintiff's applications for an interim injunction was initially intended to be procured by an *ex parte*, it has since been converted into an *inter partes* application henceforth the law in relation to *ex parte* application for an injunction no longer is applicable in this instance. It is also noted B that both the plaintiff's applications are seeking for an injunctive relief from this court.

[5] Beside the two affidavits in support as mentioned above, plaintiff's application is also supported by the following affidavits:

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(a) Affidavit of Ramasamy a/l Kuppusamy affirmed on 14 July 2003 in encl. 5;

(b) Supplementary Affidavit of Rengasamy a/l Kuppusamy affirmed on 14 July 2003 in encl. 7; and

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(c) Plaintiff's affidavit in reply affirmed by A. Kumaresan a/l KV Awanamalai on 20 August 2003 in encl.

[6] The plaintiff's injunction application is opposed to by the defendant through the following affidavits:

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(a) Affidavit affirmed to by Charles s/o Manickam affirmed on 3 October 2003 (defendant's 1st affidavit - encl. 15);

(b) Affidavit affirmed to by Charles s/o Manickam affirmed on F 3 October 2003 (defendant's affidavit jawapan (No. 2));

(c) Affidavit affirmed to by Charles s/o Manicam affirmed on 3 October 2003 (defendant's affidavit jawapan (No. 3)];

(d) Affidavit affirmed to by Tan Kok Hin @ Tan Kok Peng G affirmed on 3 October 2003 (defendant's 4th affidavit - encl. 13);

(e) Affidavit affirmed to by Lee Chan Seng affirmed to on 3 October 2003 (defendant's 5th affidavit - encl. 14);

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(f) Affidavit affirmed to by Charles s/o Manickam affirmed on 6 July 2007 (defendant's 6th affidavit - encl. 37); and

(g) Affidavit affirmed to by Charles s/o Manickam affirmed on 25 Jun 2008 (defendants 7th affidavit - encl.)

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Background Facts

[7] Facts of the case as presented by both parties are totally apart as remote as the earth from the sky. Jothi Impex alleges that they are the registered proprietor of the trade name Eagles Gold and they had been distributing one of its cosmetic products Henna Hair Dye under the name 'Eagles Gold Herbal Henna - Hair Dye'. They also allege that they are the registered owner of the trade name Eagles Gold pursuant to an application dated 9 February 1999 with trade mark number 99-0865. The 2nd plaintiff had applied for the registration of the trade name 'Eagles' for the purposes of marketing hair dye products. Plaintiffs further allege that although the 2nd plaintiff may not be the registered proprietor of the trade name 'Eagles', the 1st plaintiff is nevertheless as the registered proprietor of the trade name 'Eagles Gold' is entitled in law to seek injunctive relief against all those who infringe the trade name.

[8] The defendant on the other hand alleges the following:

(a) that the 1st plaintiff, although is a Malaysian Company is in fact a company controlled by foreign shareholders;

(b) that the 1st plaintiff was never the registered proprietor of Eagles Gold;

(c) that the trade name 'Eagles' was the property of Ram Gopal & Sons in India (RGS);

(d) that the true owner of the trade name 'Eagles' for black hair dye is RGS and that the 1st plaintiff was importing the products from RGS;

(e) that the defendant have been the importers of RGS's Henna Dye products under the trade name of 'Eagles';

(f) that it was the 1st plaintiff who passed off the trade name/ trade mark of RGS; and

(g) that RGS had commenced proceedings in India against 1st plaintiff and its associated companies Jothi Impex Pte Ltd., Jothi Impex Holdings Pte. Ltd. and Abhinav Export Corporation India where permanent injunction was granted against 1st plaintiff and the three other companies abovementioned from using RGS's Eagle trademark on their Henna products sold under the name of 'Eagles Gold'.

[9] In their various affidavits, facts of the case as deposed by the defendant are as follows:

9.1 Ram Gopal & Sons ('RGS') of No. 4836, Govind Land, 24 Ansari Road, Darya Ganj, New Delhi, 11002 is the manufacturer of Henna (mehandi powder) hair dye powder which is sold under its registered trademark of 'Eagle' and packaged in sachet or pouch form. RGS was incorporated in 1971 and had adopted and had been continuously and uninterruptedly using the Eagle trademarks since then for its henna products namely:

(a) Eagle's Black Henna;

(b) Eagle's Brown Henna;

(c) Eagle's Chestnut Henna.

9.2 In 1998 RGS registered its 'Eagle' trademark in India at the Trademark Registry under the Trademark & Merchandise Act 1958 on 22 March 1988 which is still valid and subsisting till to date. RGS had devised three packaging for its products under the trademark 'Eagle' and all the three packaging bear the trademark Eagle, namely Eagle's Black Henna, Eagle's Brown Henna and Eagle's Chestnut Henna. RGS is also the registered proprietor of the artistic work - the get-up of a girl holding her long hair a present on the sides of the box. RGS using the Eagle trademark has been selling its products to 18 countries including Malaysia and Singapore for many years and by virtue of the long and established use (36 years) of the said trademark and also because of its extensive sale under the Eagle trademark, RGS has earned valuable goodwill and reputation built under the said trademark for its henna products.

9.3 RGS has been supplying its henna products under the Eagle trademark to the 1st plaintiff (Jothi Impex) since January 1994 shortly after the latter's incorporation in July 1992. See Appendix B of encl. 25 for the Bills of Lading evidencing the delivery of the said products by RGS to the 1st Plaintiff as well as encl. 9 for the packaging boxes manufactured by RGS for the 1st plaintiff (exhibit KVA-11 in encl. 6). RGS subsequently fell out with the 1st plaintiff sometime in 1998 when the 1st plaintiff started making

excessive, onerous and unfair demands on RGS resulting in the latter terminating its business relationship with the 1st plaintiff sometime in late 1998. A

9.4 Earlier in May 1998 the 1st plaintiff had approached RGS and had *inter alia* proposed *vide* its letter dated 16 September 1998 that the 1st plaintiff shall have the right to own Eagle brand name and register the trademark in Malaysia and Singapore on RGS's behalf and that RGS shall provide complete details of compositions and ingredients of its products ostensibly for obtaining clearance from the Ministry of Health, Malaysia. In response thereto, RGS counter-proposed *inter alia* that RGS will supply its products under the Eagle trademark to the 1st plaintiff on an exclusive basis for Malaysia only but more importantly the 1st plaintiff shall have no rights to own RGS's brand name Eagle trademark to be registered in Malaysia. Further, RGS was to have all patent rights of its brand name Eagle and the 1st plaintiff was to facilitate RGS to have its brand name Eagle registered with the relevant Malaysian authorities and agencies with the 1st plaintiff listed as the sole distributor for the said products. However, both RGS and the 1st plaintiff were unable to reach an agreement and as a result, the matter then remained *status quo* as the proposed agreement was not signed. Subsequently the 1st plaintiff's distributorship was terminated when negotiations broke down as RGS was not prepared to accept the terms proposed by the 1st plaintiff. B C D E F

9.5 Shortly after that, the 1st plaintiff engaged the services of M/s Gan & Lim, Johor Bahru who filed an application to register its trade marks, 'Eagles Gold' under trade mark application no. 99/0865 on 4 February 1999. G

9.6 Sometime in 2001 the defendant, who had been getting its intermittent and irregular supplies from 'hand carriers' ie, individuals who make trips to India and 'hand carry' brought back goods for re-sale to Malaysian shopkeepers for a profit, approached RGS and made enquiries with RGS expressing its interest and intention to be appointed as a distributor of RGS's products in Malaysia and pursuant thereto *vide* the Distributor Agent Agreement dated 30 May 2001, the defendant was appointed as an agent for a trial period of one year from 30 May 2001 to 30 May 2002 provided that H I

the defendant could fulfill the terms and conditions set down by RGS. As a result of the defendant's outstanding performance, RGS appointed the defendant as its sole agent/ distributor for Malaysia at the end of 2001 well before the expiry of the trial period as RGS was very pleased with the performance of the defendant.

9.7 Sometime in July 2002, the defendant was informed by RGS that some persons were clandestinely infringing the statutory rights of RGS in Malaysia by sourcing their goods (henna products) in India which were produced by Abhinav Export Corporation ('Abhinav') based in Chennai, India and selling their goods under the Eagle trademark but passing off the said goods as Eagles Gold using identical packaging and identical device of a woman holding her hair thereby infringing RGS's registered trademark in India.

9.8 In a civil action filed by RGS against the 1st plaintiff and its associated companies Jothi Impex Pte. Ltd., Jothi Impex Holding Pte. Ltd. and Abhinav Export Corporation India at the New Delhi Court, India *vide* Suit No. 1742 of 2002, the court granted a permanent injunction against the 1st plaintiff and the three other companies abovementioned from using RGS's Eagle trademark on their henna products sold under the name of Eagles Gold.

9.9 In actual fact the 1st plaintiff was sourcing the henna products bearing the Eagle trademark belonging to RGS with identical label and device from Abhinav and passing them off as its own products and also passing them off for sale to the public in Malaysia and Singapore under the name of Eagles Gold. The 1st plaintiff claimed that they had imported the henna leaves from India and processing them into henna hair dye themselves presumably in Malaysia which claim is patently untrue because the package box exhibited as KVA-9 in encl. 6 clearly shows that the products are manufactured by Abhinav in Chennai, India for the 1st plaintiff. In the affidavit of Ved Prakash s/o Shri Ram Gopal, a director of RGS affirmed on 2 July 2004 (see encl. 23) RGS confirmed that it had appointed the defendant (in place of the 1st plaintiff) as its sole agent/distributor of Malaysia since the end of 2001 after the defendant had passed the test set by RGS of a minimum order of 1 container per year to three containers by the end of 2001 with flying colours.

9.10 In 2003, the plaintiffs commenced this action against the defendant seeking *inter alia*:

a. An Order prohibiting the defendant from selling and /or distributing the henna products manufactured by RGS bearing Eagle trademark in Malaysia;

b. An Order against the defendant from using the Eagle trademark belonging to RGS since 1971 but which they claimed now belonged to them.

9.11 The 1st plaintiff claimed by para. 10 of encl. 4 affirmed on 14 July 2003 that it had purchased the Eagles trademark (Eagle spelled with a 's' after 'e') from the 2nd plaintiff on 21 April 1999 (see para. 10 of encl. 4 - Affidavit of Kumaresan affirmed on 14 July 2003 and encl. 9 para. 6 affirmed on 22 July 2003). The aforementioned para. 10 of encl. 4 and para. 6 of encl. 9 which are identical, word for word state as follows:

> Bahawa melalui satu perjanjian jual beli bertarikh 21/4/ 1999 antara Plaintif Pertama dan Plaintif Kedua, Plaintif Kedua telah menjual semua aset-aset dan liabiliti termasuk pemegang trademark 'Eagles' atas produk tersebut kepada Plaintif Pertama.

9.12 The 1st plaintiff also claimed in para. 6 of encl. 9 and also in encl. 6 para. 10 that it had bought all the assets of the 2nd plaintiff including the Eagles (Eagle spelt with a 's' after 'e') trademark from the 2nd plaintiff *vide* the sale and purchase agreement dated 21 April 1999 but till to date neither the 1st plaintiff nor the 2nd plaintiff has exhibited the purported sale and purchase agreement as proof of the sale and purchase of the said trademark 'Eagles' and is presumably non existent and a sham perpetrated to mislead this Honorable Court.

9.13 Moreover, the 1st plaintiff's assertion was totally untrue in that on the alleged date that the 1st plaintiff was supposed to have bought over the entire shares and assets of the 2nd plaintiff (ie, 21 April 1999), the 2nd plaintiff including the Eagles trademark, the said trademark had not yet been approved to the 2nd plaintiff by the Registrar of Trademark. So, how could the 2nd plaintiff purport to sell all their assets

including the Eagles trademark to the 1st plaintiff *vide* the alleged sale and purchase agreement dated 21 April 1999 (which till to date has never been revealed/disclosed) when the 2nd plaintiff was not the owner at that time of the purported sale or till to date.

9.14 Although the 1st plaintiff had falsely claimed that the Eagles trademark application No. 99/01005 ('the Trademark application') had been approved to the 2nd plaintiff and that the 1st plaintiff had bought the said trademark from the 2nd plaintiff *vide* sale and purchase agreement dated 21 April 1999, searches made at the Trademark Registry disclosed that the 2nd plaintiff had in fact abandoned its said application for the Eagles trademark on 22 September 2005 or possibly even before the trademark was approved to it. Therefore, the 1st plaintiff's claim that it had become the owner of the Eagles trademark because it had purchased the said trademark from the 2nd plaintiff is patently false as the 2nd plaintiff was never the owner of the Eagles trademark as claimed. Therefore, the 1st plaintiff's claim that it had purchased the Eagles trademark from the 2nd plaintiff is a fraudulent claim, totally untrue and an outright lie as the said trademark has never been approved to the 2nd plaintiff as claimed and this fact is confirmed by the numerous searches made by the defendant's agent Intelpro Management & Services ('Intelpro'). See encl. 38 exh. CM3 the relevant particulars of which are set out as follows:

Application No.	Applicant (before the 2nd Plaintiff was incorporated)	Date of Application	Trademark	Date of Search	Agent	Remarks
99/01005	Fair Care Cosmetics Creation SB	8/2/1999	Eagles	22/6/2001	M/S Gan & Lim	Mark is pending
99/01005		8/2/1999		6/10/2003		Mark is pending
99/01005		8/2/1999		22/9/2005		Mark is abandoned
99/01005		8/2/1999		5/7/2007		Mark is abandoned

9.15 Accordingly, how could the 1st plaintiff claimed to have bought the non-existent said Eagles trademark from the 2nd plaintiff on 21 April 1999 (six years earlier) when the latter had abandoned its application on 22 September 2005 even before its application could be approved. On this fact alone, the plaintiff's claim for an injunction should be dismissed as the plaintiff's basis for the injunction is an outright lie. Further, it is plain and obvious that the plaintiff have not come with clean hands to this court and have further tried to mislead this court by their false claim.

[10] Plaintiff's disputed all the facts and averments made by the defendant. Plaintiff's denied that 1st plaintiff company was controlled by foreign shareholders. The majority share in the 1st plaintiff company was owned by a A. Kumaresan a/l KV Awanamalai, a Malaysian. 1st plaintiff also denied that they were never the registered proprietor of Eagles Gold. Instead, the plaintiffs' aver that the defendant has infringed their trade name/ trade mark which is protected under the Trademark Act 1976. The alleged infringement and nature of alleged infringements as averred by the plaintiff are in two area namely:

(a) Infringements of the registered trademark of 'Eagle' by the defendant by distributing and selling the infringing products; and

(b) Territorial protection - the alleged infringements took place within the territorial accorded under the Trademark Act 1976 which is Malaysia.

Issues For Court Determination

[11] Based on the brief facts and the arguments from both side, issues for the determination by this court are as follows:

11.1 What is the relationship between the 1st plaintiff (Jothi Impex) and the 2nd plaintiff (Fair Care);

11.2 Relationship between Jothi Impex and RGS;

11.3 Relationship between the defendant (Yashree) and RGS;

11.4 Findings of investigation conducted by RGS in Malaysia;

A 11.5 Relationship between Abhinav Export Group (Abhinav) and Jothi Impex;

11.6 Whether there is *mala fide* on the part of Jothi Impex;

11.7 Undertaking as to damages;

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11.8 Duty to make Full and Frank Disclosure;

11.9 Purported sale of the Eagles trademark;

11.10 Whether plaintiff's the legal owner of 'Eagles Gold' C trademark.

Business Relationship Between Jothi Impex And Fair Care

[12] The defendant have made a search with Suruhanjaya Syarikat Malaysia (SSM) as shown in exh. CM2 of encl. 15. The D searches revealed that Jothi Impex was incorporated on 16 July 1992 and became active in business at the end of 1994 after A. Kumaresan a/l KV Awanamalai had been appointed as one of the director on 12 November 1994. Fair Care was incorporated on 23 February 1999 with an authorized paid up share capital of E RM100,000 divided into 100,000 ordinary shares of RM1 each with a paid up share capital of RM4 divided into four shares of RM1 each. One of the shareholder holding 1 share is one Ramasamy a/l Kuppusamy who had deposed the affidavit in support of Jothi Impex (encl. 5).

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[13] In the affidavit of A. Kumaresan in encl. 4, the deponent had deposed *inter alia* as follows:

(a) By para. 8, the 1st plaintiff is the registered owner of the G trademark Eagles Gold' trademark no. 99-0865 used in their Eagles Gold hair dye products approved and registered on 4 February 1999 obtained on their behalf by the agent, M/S Gan & Lim, Johor Bahru;

(b) By para. 9, the 2nd plaintiff was stated to be the owner of H the trademark 'Eagles' under trademark no. 99-01005 'obtained officially' *vide* the application dated 8 February 1999 for their product namely Eagles black henna hair dye;

(c) By para. 10, pursuant to a sale and purchase agreement dated I 21 April 1999 (two months later) between the 1st plaintiff and the 2nd plaintiff, the 2nd plaintiff had sold all their assets and liabilities including the trademark 'Eagles' for the abovementioned product to the 1st plaintiff.

[14] In encl. 5, the deponent stated at para. 5 that by a sale and purchase agreement dated 21 April 1999 Fair Care had sold the entire assets and liabilities 'termasuk pemegangan trademark "Eagles" atau produk pewarna rambut herba-inai hitam kepada plaintiff pertama'.

[15] This court finds that all the above allegations made by both deponent cannot be true as Jothi Impex had only applied for the said trademark on 4 February 1999 through their agent, m/s Gan & Lim and the said application was given with a no. 99-00862 (exh. KVA1 encl. 4). Fair Care which was only incorporated on 23 February 1999 had also made an application on 8 February 1999 under application no. 99/01005 dated 8 February 1999 some 15 days before it was incorporated. The said trademark 'Eagles Gold' was only approved some two years dated ie, on 6 February 2001 (exh. KVA2A encl. 9). Fair Care also claimed that they had also retained m/s Gan & Lim to apply for their trademark under 'Eagles' under application no. 99/01005 on 8 February 1999 (exh. KA1 encl. 4). So how could Fair Care retained m/s Gan & Limon 8 February 1999 to apply for the trademark when they were only incorporated on 23 February 1999. Therefore Jothi Impex Affidavit in para. 9 of encl. 6 which had deposed 'plaintiff kedua merupakan sebuah syarikat yang mempunyai trademark di bawah nama 'Eagles' sahaja bagi pengeluaran produk pewarna rambut herba-inai hitam dan no. trademark tersebut adalah 99-01005 yang diperakui secara rasmi melalui permohonan bertarikh 8 February 1999, is hard to be believed to be true. A search made by defendant's agent with the Trademark Registry shows that the said trademark 'Eagles' purportedly approved to Fair Care had in fact been abandoned (exh. CM3 encl. 38). Jothi Impex failed to produce the purported Sale and Purchase Agreement for verification even though the same had been repeatedly high lighted by the defendant in their affidavits. Therefore, I am unable to accept Jothi Impex contention that they had bought the 'Eagles' trademark from Fair Care on 21 April 1999. A search made by one Tan Kok Hin shows that the two addresses given by Fair Care was found to be a residential house. There is no evidence adduced by the plaintiffs' to show that it has a trading or place of business at the said premises as claimed by them. With due respect, the blatant lies perpetrated by the plaintiff's in their affidavits in encl. 4 and encl. 6 are in serious contempt and they come to this court with unclean hand.

Business Relationship Between Jothi Impex And RGS

[16] It had been established by the defendant in their affidavits that RGS has been continuously using the 'Eagle' trademark for the products henna (Mehandi) powder since 1971 and had been exporting its products to 18 countries including Malaysia and Singapore. By virtue of its long and established use of the said trademark in Malaysia-Singapore and elsewhere, RGS has acquired the exclusive right to use the said trademark here and further because of the extensive sale of its products under the said trademark, valuable goodwill and reputation has been built under the said trademark here in Malaysia in particular. The defendant had been appointed as distributor of the products in Malaysia and Singapore since 2001 and the defendant had widely and extensively advertised the said 'Eagle' trademark in the Tamil newspaper and with Radio and Television Malaysia (Tamil section).

[17] It is also established that Jothi Impex had been supplied by RGS of its products under the said 'Eagle' trademark since January 1994 until 1998 (exh. VP5 in encl. 25 and exh. CM8 in encl. 15). Sometime in mid 1998, Jothi Impex had approached RGS and made some proposal, *inter alia* that:

(a) RGS shall manufacture the product ie, black and brown henna powder under the brand name Eagle on an exclusive basis for Jothi Impex and shall not sell the product to anyone in Malaysia, Singapore, Indonesia, Thailand and other East Asian countries ('the territory');

(b) Jothi Impex shall have the right to own the Eagle brand name and shall register the trademark in Malaysia and Singapore on behalf of RGS;

(c) Jothi Impex be appointed to import and distribute the products in the said territory on an exclusive basis for 10 years from the date of execution of an agreement between the parties;

(d) RGS shall not sell the products to anyone but to Jothi Impex only; and

(e) RGS shall provide complete detail of composition and ingredient of its products to Johti Impex for obtaining clearance from Ministry of Health.

[18] RGS was not agreeable to the proposal submitted by the Jothi Impex and counter proposed *inter alia* that: A

(a) RGS would supply its product under their EAGLE trademark to the 1st plaintiff on an exclusive basis for Malaysia;

(b) Jothi Impex shall have no right to own the brand name Eagle and to have this trademark registered in the name of RGS to be registered in Malaysia; B

(c) However, Jothi Impex shall hold the right as Eagle's sole selling agent for purposes of sale and advertising in Malaysia; C

(d) Jothi Impex shall purchase a minimum order of at least one 20ft container (TEU) of RGS's Eagle henna products once in two months (or a minimum of six 20ft containers per year);

(e) RGS shall have all patent rights of their brand name Eagle and Jothi Impex would get them registered as the relevant Malaysian authorities/agencies listing as the sole distributor themselves as sole distributor for the same product; and D

(f) The proposed agreement for an initial period of two years and subject to renewal by mutual consent of both parties. Photocopies of the said proposed agreement and correspondences between Jothi Impex and RGS are exhibited as VP-6 in encl. 23 and as CM-12 in encl. 15. E

F

[19] However, both RGS and Jothi Impex were unable to reach an agreement and as a result, the matter then remained *status quo* as the proposed agreement were never signed. Subsequently, Jothi Impex distributorship was terminated in late 1998 when negotiations broke down as RGS was not prepared to accept the terms proposed by Jothi Impex. G

[20] Subsequently, on 20 April 2001, some three years after the termination of Jothi Impex as one of its agents, RGS received an inquiry from the defendant, expressing its interest to be appointed as a distributor/agent for RGS's products in Malaysia and at the request of RGS, the defendant's managing director, Charles Manicam flew to RGS office in New Delhi, India for a meeting and consequent thereto RGS through their export division, RGS Eagle Henna Export House agreed to appoint the defendant as its agent for a trial period of one year with effect from 30 May 2001. See encl. 15 exh. CM11. H I

[21] RGS later appointed the defendant as their sole agent/ distributor for Malaysia towards the end of 2001 when the defendant's order increased from an initial minimum 1 order of 20ft container to three containers at the end of 2001. By the end of 2002 and early 2003, the defendant had ordered a total of thirteen 20ft containers of products with the said Eagle trademark from RGS.

[22] In July 2002, RGS received information that some person or persons were clandestinely attempting to infringe upon the statutory right of RGS by seeking to sell its products ie, henna powder under the said trademark.

[23] RGS subsequently discovered that m/s Abhinav Export Corporation, aided by M/s Ishar Dass Amir Chand (the said manufacturers) were manufacturing and exporting henna (mehandi) powder under the said Eagle trademark and also using identical packaging and design which is very similar with RGS and bearing Eagle Gold marked with identical layout, trade dress, colouring, get-up, label, size of box, instruction and literature and the device of a lady holding her hair.

[24] RGS had filed a suit in India under Suit no. 1742 of 2002 for a permanent injunction in the Delhi High Court against Jothi Impex restraining infringement of trademark, passing off of trademarks, infringement of copyrights, damages, delivery up etc, and was granted an interim injunction to restrain Jothi Impex, Jothi Impex Pte. Ltd., Jothi Impex Holdings Pte. Ltd from using the trademark Eagle or any other mark deceptively similar thereto and the packaging of RGS more so in regards colour combination and trade dress in relation to the henna mehandi powder (exh. VP7 in encl. 23).

[25] Abhinav Export Corporation has been supplying the henna mehandi powder under the trademark Eagles Gold to Jothi Impex and Jothi Impex Holdings Pte. Ltd. both based in Singapore who were all part of the group involved in the infringement of RGS's Eagle trademark and copyright as they were all aware that RGS were the owner of the said trademark as well as of the distinctive packaging of RGS and device of a lady holding her hair and accordingly, the selection and use of the said trademark with identical layout, trade dress, colouring, get-up, label, size of box, instruction, packaging, design and literature and device of a lady holding her hair by Jothi Impex and its associate companies in

Singapore are not honest from its inception and is perpetrated to pass off the goods manufactured by the Jothi Impex as those of RGS.

[26] Shortly after Jothi Impex had been terminated as the distributor by RGS because of their unfair and excessive demands on the latter in late 1998 they had surreptitiously contracted with Abhinav Export Corporation sometime in early 1999 (a few months later) to produce henna hair dye products under their Eagles Gold trademark and passing them off as genuine RGS's Eagle henna (mehandi) products (see encl. 9 exh. KVA 2D-Perakuan Pendaftaran and encl. 6 exh. KVA8).

[27] Jothi Impex use of their said trademark is an attempt to pass off the RGS's goods, violation of trademark and copyrights vested in RGS. RGS had never at any time appointed Jothi Impex as their sole agent for Malaysia. They were merely one of the importers who were importing RGS products until 1998. On the other hand, RGS have appointed the defendant as their agent since the end of 2001 and the defendant continues to be RGS sole agent till to date (photocopies of the said appointment are annexed and exhibited as VP8 of encl. 23).

[28] The plaintiff had deliberately and falsely lied to the public and had mislead them to believe that the Eagles Gold henna products sold by the Jothi Impex are in fact the genuine Eagle henna products produced by RGS which have gained wide popularity and reputation among the public and the trade because of their long and wide use in India, Malaysia and Singapore and other part of Asia and South Asia since 1971. Jothi Impex is well aware of this fact and has been trying to cash in on RGS's Eagle products by selling their Eagles Gold's products and passing them off as RGS Eagle Black Henna, Brown Henna and Chestnut Henna.

[29] From the short narrative above it shows that the defendant's supplier, RGS are the producers of the genuine henna products sold under their henna products label since 1971 which have been registered at the Trademark Registry of India since 1996 (see exh. VP1 of encl. 23) as they had been the original and genuine manufacturers of the Eagle brand henna products since 1970s and that since May 2001, the defendant had been selling their principal, RGSs' products which are sold under the Eagle trademark and that the 1st plaintiff was once RGS's agent for Malaysia and Singapore for the said goods.

[30] Therefore, it is my findings that the unlawful breach of trademark and copyright perpetrated by Jothi Impex with the collaboration of the Fair Care perversely claiming that the defendant had been infringing Jothi Impex 'celup' trademark of Eagles Gold is laughable in the light of revelation highlighted herein and is nothing more than a pathetic attempt to mislead the public and distort the good name of RGS's Eagle's henna products in the public eye and the trade.

The Appointment Of Defendant As Sole Agent Of RGS

[31] From the affidavit evidence before me, it was disclosed that sometime in April 2001, the defendant made enquiries with RGS expressing an interest to be appointed as a distributor/agent of RGS's products in Malaysia. On 30 May 2001, RGS agreed to appoint the defendant as an agent for a trial period of one year with effect from 30 May 2001. By the end of 2001, the defendant was officially appointed as RGS's sole agent/ distributor of their products in Malaysia and Singapore (exh. VP8 in encl. 23), Until to date, the defendant is still the sole agent/distributor of RGS products in Malaysia and Singapore.

Investigation Conducted By RGS In Malaysia

[32] RGS had discovered that Abhinav aided and abetted by m/s Ishar Dan Amir Chand and colluding with Johti Impex were manufacturing and exporting the henna (mehandi) powder under the 'Eagles Gold' and also using identical packaging and design which is very similar to RGS's EAGLE trademark with identical layout, trade dress, colouring, get-up, label, size of box, instructions and literation and the devise of a lady holding her hair. RGS then filed a suit against Jothi Impex and their related companies, Jothi Impex Pte. Ltd. and Jothi Impex Holdings Pte. Ltd. both based in Singapore at the Delhi High Court under Suite No. 1742 of 2002 and obtained an injunction restraining infringement of the trademark, passing off the trademark, infringement of copyright, damages, delivery up etc. against them (A photocopy of the relevant cause papers are exhibited as VP7 encl. 23 as well as in encl. 15 exh. CM11)

[33] Subsequently on 30 Jun 2007, one of RGS director, Mr. Ved Prakash flew to Malaysia to investigate the matter accompanied by the defendant's Director, Mr. Charles Manickam, they visited the various shops and outlets selling and distributing RGS's Eagles henna products in Bukit Mertajam, Johor Bahru,

Sitiawan, Kuala Lumpur, Klang, Seremban dan Subang Jaya to ascertain the extent of the damage caused to RGS by Jothi Impex nefarious activities and the said Ved Prakash discovered that there was widespread selling and distribution of Jothi Impex's Eagle Gold henna product which was strikingly similar in all aspects to RGS products bearing the Eagle trademark. Ved Prakash in his affidavit in encl. 19 at para. 11 stated that Jothi Impex had collaborated and surreptitiously colluded with Abhinav to produce mehandi and pass off to Jothi Impex products as RGS's original henna hair dye product carrying the Eagle trademark which has been on the market since the 1970's. As a result of the civil suit in India filed by RGS, Jothi Impex and its associated companies were restrained by an injunction order from manufacturing, selling, exporting or infringing the trademark of RGS in India.

Relationship Between Abhinav Export Group And Jothi Impex

[34] After RGS had terminated their business relationship, Jothi Impex collaborated and/or colluded with Abhinav and one Ishar Dass Amir Chand ('Ishar Dass') to pass off their henna (mehandi) products bearing the Eagle Gold trademark and with identical layout, trade dress, colouring and get-up, label, size of box, instructions and literature and the device of a lady holding her hair supplied to Jothi Impex. Subsequently, by an order of the Delhi High Court, pursuant to a suit filed by RGS Abhinav and Ishar Dass were restrained by an injunction order of the High Court of Delhi from infringing of copyrights, passing off etc. of RGS's Eagle.

***Mala fide* On The Part Of Jothi Impex**

[35] Several searches made by Intelpro had confirmed that Fair Care had abandoned its application for the Eagles trademark even before the said trademark was approved to its agent. Jothi impex had in various affidavits affirmed that it had purchased the said Eagles trademark which had never been approved by the trademark Registry to Fair Care. It is obvious that Jothi Impex contention that they had purchase the shares and trademark from Fair Care *vide* the Sale and Purchase Agreement dated 21 April 1999, is nothing but an outright lie and fabrication perpetrated to mislead this court. It is clear to me that Jothi Impex had embarked on a series of unlawful, illegal and malicious campaign against the defendant by making false and malicious allegations and statements to several newspapers including Tamil Malaysia and Tamil Nesan. This include an extract of a Sri Lanka newspapers cutting which

had published unfounded and unsubstantiated allegation of a singer who had purportedly died after using RGS's Eagles henna hair dye.

[36] Jothi Impex had also embarked on a massive misinformation campaign by instructing all their sales personnel to visit India trader and stokist stocking and selling RGS's Eagle's Henna Hair Dye products all over Malaysia and Singapore to reject and/or restrain from buying the said products thereby causing severe financial losses and damages and its reputation and goodwill to the defendant. Jothi Impex also made false allegations and reports to the various government agencies including the Ministry of Health and customs demanding that the defendant should not be allowed to import RGS's Eagle's henna products for sale in Malaysia.

Undertaking As To Damages

[37] The plaintiffs application is totally flawed and therefore should be dismissed inlimine as it is not in compliance with the mandatory requirements of O. 29 RHC in particular r. 2A and r. 4 which stipulates that an order for an interim injunction must be in Form 58 of the RHC that is, it must provide an undertaking to abide by any order of the court or judge for damages that may be sustained by the defendant which the plaintiffs may be ordered to pay which is a *sine qua non* for such an application.

Duty To Make Full Disclosure

[38] Even if this court had earlier granted an interim injunction based on the affidavit in support in encl. 8, the injunction would have to be discharged as there had not been full and proper disclosure of material facts by the plaintiffs. It is fundamental that the party applying for an injunction should have the utmost good faith in making the application and that the doctrine of *uberrime fide* in effect applies. Moreover, the duty to make full disclosure requires that the plaintiffs make sufficient enquiries before making the application. This principle that no injunction obtained *ex parte* shall stand if it has been obtained in circumstances in which there was a breach of the duty to make the fullest and frankest disclosure. In the case before me, I found that the plaintiffs have breached that duty. There has been a deliberate suppressing of material information by the plaintiffs regarding the facts that Jothi Impex was a former agent of RGS and selling the Eagle's Henna Hair dye products from January 1994 to end of 1998. Jothi Impex

was guilty of deliberate and willful concealment of material facts and this ground alone is sufficient to deny plaintiffs *inter partes* application for an interlocutory mandatory injunction.

Whether Plaintiff Is The Legal Owner Of Eagles Gold Trademark

[39] The plaintiffs' Eagles gold trademark as claimed by them was only registered in 2002 as compared to Eagle trademark belonging to RGS which had been valid and subsisting in India since the 1980's. RGS products have been sold in 18 countries including Malaysia since 1970's. The get-up of Jothi Impex products of a girl holding her hair is strikingly similar and closely related to RGS's get-up, also a girl holding her hair which RGS had been using for the past 30 years. The get-up used by Jothi Impex nearly resembles a trademark belonging to RGS and it is likely to deceive or cause confusion among members of the public. Thus, the trademark of Jothi Impex product clearly in contravention with s. 14 and s. 19(1) of the Trade Marks Act 1976. Section 14(a) of the Act provides that 'a mark ... shall not be registered as a trademark if the use of which is likely to deceive or cause confusion to the public'. Section 19(1) of the Act says that no trademark shall be registered in respect of any goods or description of goods that is identical with a trademark belonging to a different proprietor and entered in the register in respect of the same goods or description of goods or that so nearly resembles such a trademark as is likely to deceive or cause confusion. Jothi Impex, to my mind was guilty of the act of passing off the Eagle name and the similar get-up of a girl with long hair which was calculated to injure the business and goodwill of the defendant as the name Eagles, the logo and the get-up had become the defendant's products and the use by Jothi Impex was likely to deceive the defendant's customers and the public at large.

[40] In the case of *Seet Chuan Seng & Anor v. Tee Yih Jia Food Manufacturing Pte Sdn Bhd* [1994] 3 BLJ 292, where the only issue was whether, in forming the second appellant in carrying on similar business using the same logo, name and get-up, the 1st appellant was guilty of passing off so as to warrant the court in granting, *inter alia*, an injunction to restrain the appellants from continuing the alleged acts of passing off and an order that the 1st appellant applied to the ROC to have its corporate name amended by removing the words 'Tee Yih Jia'. The facts were that the

A appellant and two others were the owners of the Tee Yih Jia Popiah Dried Pastry Factory Pte. Ltd. ('the Singapore company') sold all their shares to one Goi Seng Hui. The appellant then set up another company in Malaysia bearing the same name using the same trade name and logo similar to that of the respondent, Goi B Seng Hui. At the High Court, the judge found, *inter alia*, that there was a passing off by the appellant by the use of the trademark 'Tee Yih Jia', the package set up so identical to or clearly resembling the respondents get-up and the same swastika trademark. The appellant appealed to the Supreme Court where C the only issue was whether in forming the Malaysian company and carrying on the similar business as a Singapore company using the same name, logo and get-up, the appellant was guilty of passing off so as to warrant the court granting *inter alia* an injunction to restrain the appellant from continuing the alleged acts of passing D off and an order that the appellants apply to the ROC to have its corporate name amended by removing the words 'Tee Yih Jia'. It was held by the Supreme Court that:

(a) In order to create a valid cause of action for passing off, there E must be a misrepresentation made by a trader in a course of trade to prospective customers of his or ultimate consumers of goods or services supplied by him, which was calculated to endure the business of goodwill of another trader and which caused actual damage to a business or goodwill by whom the F action is brought. From the evidence, the name Tee Yih Jia, the logo and the get-up had become distinctive of the respondents products and the use by the appellants was likely to receive or cause deception to a potential buyer or customer of popiah skins.

G

(b) In an action for passing off, the damage is an essential element of the tort and it is necessary for the plaintiff to establish that he had suffered damage. However, like in this case, where the goods were in direct competition with one H another (as here the defendant's Eagle products and the 1st plaintiff's Eagles Gold), the court would readily infer the likelihood of damage to the respondents goodwill through the loss of sales and loss of the exclusive use of his name. Here, the court was satisfied that passing off had been established by the respondent.

I

[41] In *Yomeishu Seizo Co. Ltd. & Ors v. Sinma Medical Products (M) Sdn. Bhd.* [1996] 2 BLJ 142 HC, where the plaintiff had built among the local Chinese population a reputation for their trade name and get-up as well as their product in the Chinese pronunciation of the word 'Yang Ming Jui', it was held that from the totality of the evidence, there had been a deliberate choice by defendant of the name of plaintiff's well known products 'Yomeishu' camouflaged by having it in the mandarin pronunciation. Similarly here, the 1st plaintiff had tried to conceal their infringement of RGS's trademark of Eagle by merely adding the alphabet 'S' - EAGLES and then selling their product as Eagles Gold with the strikingly similar get-up as that of the defendant and with similar instructions for use on the package and passing them off as the defendant's products.

[42] In *Lim Yew Sing v. Hummel International Sports & Leisure A/S* [1996] 4 CLJ 784, where one Gurdip Kaur filed an application under s. 25 of the Trade Marks Act 1976 claiming she was the proprietor of the Hummel (M) mark on the basis that nobody had previously used the mark in Malaysia and the court held she was entitled to make this claim. Mahadev Shankar JCA found support of his decision in the case of *Impex Electrical Ltd. v. Weinbaum* [1927] 44 RPC 405 where Tomlin J said:

> ... foreign market are wholly irrelevant, unless it is shown by evidence that in fact goods had been sold in this country with the foreign mark on them, and the mark so used has thereby become identified with the manufacturer of the goods. If a manufacturer having a mark abroad has made goods and imported them into this country with the foreign mark on them, the foreign mark may acquire in this country this characteristic, that it is distinctive of the goods of the manufacturer abroad. If that be shown, it is not afterwards open to somebody else to register in this country that mark, either as an importer of the goods of the manufacturer or for any other purpose. The reason of this is not that the mark is a foreign mark registered in a foreign country, but it is something which has used in the market of this country in such a way as to be identified with a manufacturer who manufactures in a foreign country.

The Legal Position On The Granting Of An Injunctive Relief

[43] The power of the court to grant an injunction is provided for in s. 50 of the Specific Relief Act 1950 (Act 137) which provides as follows:

A 50. Preventive relief how granted.

Preventive relief is granted at the discretion of the court by injunction, temporary or perpetual.

[44] The principles pertaining to the granting or refusal of an B injunction are set out in the leading case of *American Cynamid v. Ethicon Ltd* [1975] AC 396 wherein the House of Lords had *inter alia* stated that:

> The object of the interlocutory injunction is to protect the Plaintiff C against injury by violation of his right for which he could not be adequately compensated in damages recoverable in the action if the uncertainty were resolved in his favour at the trial; but the Plaintiff's need for such protection must be weighed against the corresponding need of the Defendant to be protected against injury resulting from his having been prevented from exercising D his own legal rights for which he could not be adequately compensated under the Plaintiff's undertaking in damages if the uncertainty were resolved in the Defendant's favour at the trial. The court must weigh one need against another and determine where the 'balance of convenience' lies.

E **[45]** The guiding principle of 'balance of convenience' is further explained at pp. 407 and 408 wherein it is *inter alia* stated that:

> It is no part of the court's function at this stage of the litigation to try to resolve conflicts of evidence on affidavit as to facts ... F nor to decide difficult questions of law which call for detailed argument and mature considerations. These are matters to be dealt with at the trial ... So unless the material available to the court at the hearing of the application for an interlocutory injunction fails to disclose that the Plaintiff has any real prospect of succeeding in his claim for a permanent injunction at the trial, G the court should go on to consider whether the balance of convenience lies in favour of granting or refusing the interlocutory relief that is sought. As to that, the governing principle is the court should first consider whether, if the Plaintiff were to succeed at the trial in establishing his right to a permanent injunction, he H would be adequately compensated by an award of damages for the loss he would have sustained as a result of the Defendant's continuing to do what was sought to be enjoined between the time of the application and the time of the trial. If damages in the measure recoverable at common law would be adequate remedy and the Defendant would be in a financial position to pay them, I no interlocutory injunction should normally be granted, however strong the Plaintiff's claim appeared to be at that stage. If, on the other hand, damages would not provide an adequate remedy for the Plaintiff in the event of his succeeding at the trial, the court

should then consider whether, ... (if) the Defendant were to succeed at the trial in establishing his right to do that which was sought to be enjoined, he would be adequately compensated under the Plaintiff's undertaking as to damages for the loss he would have sustained by being prevented from doing so between the time of the application and the time of the trial ...

[46] Based on the salutary principles established by the House of Lords in *American Cynamid Co. v. Ethicon Ltd. (supra)*, it becomes the duty of this court to consider the following matters when deciding on whether to exercise its' discretion to allow an injunction:

(i) Whether there are any *bona fide* serious question to be tried;

(ii) Where the balance of convenience lies;

(iii) Whether damages is an adequate remedy for the plaintiffs in the circumstances;

(iv) Whether the plaintiffs have given an adequate undertaking as to damages; and

(v) Whether there has been full and frank disclosure of all material facts on the plaintiffs' part.

[47] In the case of *Keet Gerald Francis Noel John v. Mohd. Noor & Ors* [1995] 1 CLJ 293, the Court of Appeal noted that a judge hearing an application for an interlocutory injunction should:

(1) ask himself if whether the totality of the facts presented before him disclosed a *bona fide* serious issue to be tried. He must refrain from making any determination on the merits of the claim or any defence to it and identify with precision the issues raised and decide whether they are serious enough to merit a trial ...,

(2) having found that an issue had been disclosed that requires further investigation, he must consider where the justice of the case lies. He must take into account all relevant matters, including the practical realities of the case before him and weigh the harm the injunction would produce by its grant, against the harm that would result form its refusal; and

(3) the judge must have in the forefront of his mind that the remedy that he is asked to administer is discretionary, intended to produce a just result for the period between the date of the application and the trial proper and to maintain

A the *status quo*. It is a judicial discretion capable of correction on appeal. A judge should briefly set out in his judgment the several factors that weighed in his mind when arriving at his conclusion.

B **[48]** In the case of *Tinta Press Sdn. Bhd. v. Bank Islam (M) Bhd.* [1987] 1 CLJ 447; [1987] CLJ (Rep) 396 thus:

> The discretionary power of the Court to grant a mandatory injunction is provided by section 53 of the Specific Relief Act, 1950 (Act 137). By judicial process, the power is extended to the
C granting of an interlocutory mandatory injunction before trial. Such discretion however must be exercised and an injunction granted only in exceptional and extremely rare cases as was held in *Wah Loong (Jelapang) Tin Mine Sdn. Bhd. v. Chia Ngen Yiok* [1975] 2 MLJ 109 and confirmed by the Federal Court in *Sivaperuman v. Heah Seok Yeong Realty Sdn. Bhd.* [1979] 1 MLJ 150. The case
D must be unusually strong and clear in that the Court must feel assured that a similar injunction would probably be granted at the trial on the ground that it would be just and equitable that the Plaintiff's interest be protected by immediate issue of an injunction, otherwise irreparable injury and inconvenience would result. (see
E *Gibb & Co. v. Malaysia Building Society Bhd.* [1982] 1 MLJ 271 and *Shepherd Homes Ltd. v. Sandham* [1971] 1 Ch 340)

Plaintiffs' Application And Findings Of The Court

[49] The balance of convenience does not weigh in favour of the
F plaintiffs in this case as it would not be in the interest of justice to grant the interlocutory injunction based on the plaintiffs bare allegations which are not supported by any evidence. Furthermore, the defendants would suffer great injustice and will be jeopardized by the granting of any injunctive relief sought by the plaintiffs.
G This is based on the facts that the defendant and RGS trademark has been in existent since 1970's almost 40 years and if injunctive relief is granted, it would cause the defendants to suffer massive financial and/or commercial losses.

H **[50]** In conclusion, I find that the plaintiff's application herein without merits to support for the injunctive relief they seek for. In this case, I find that there are material disputes as to the facts of the matter which cannot be disposed by evidence merely submitted through affidavits. There are serious triable issues as
I well. The parties should have the benefit of cross-examination of the respective deponents and all the deponents of the affidavits as well as all the material witnesses to determine the relevant issues,

including the purported passing off of the trademark. Taking into consideration all the facts in this case, it is only proper and just for the *status quo* of the parties be maintained until the final disposal of the suit. This point found support in the case of *Kamalambikai w/o Somasundram Shanta Devi Samasundram v. Mulpha Land & Property Sdn. Bhd.* [1998] 1 LNS 149, wherein Abdul Wahab J had stated:

> To stop a person entirely from undertaking any activity for which he has received the approvals of the relevant authorities in accordance with the law, at all times within the boundary of his land, before the issues are determined in a trial is intrinsically of *prima facie* unjust. That injustice is usually mitigated by an undertaking as to damages. In this case, the Plaintiff in terms of an undertaking as to damages have offered nothing. Neither has the Plaintiffs made out a clear case why such undertaking should be dispensed with in this case.
>
> In any application, including interlocutory applications, it is incumbent upon the applicant to make out his case. There is no presumption that an interlocutory application is necessarily granted to preserve a '*status quo*' and imposing a burden upon a Defendant to show why the application is not to be granted. Indeed, to my mind, the *status quo* included the Defendant continuing with work that he had already commenced ...

[51] After weighing all the matters adumbrated above I find that the defendants would suffer greater injustice by the grant of the injunctions sought, than by its refusal. I am of the view that the *status quo* should be maintained. In the result I dismiss the plaintiff's application for injunctive relief with costs.